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Chapter 11 Proceeding

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Jurisdiction and Venue

C. This Court has jurisdiction over this matter and the parties in interest and properties and interests affected hereby pursuant to 28 U.S.C. §157(b) and §1334. This is a core proceeding under 28 U.S.C. §157(b)(2). Venue is proper before this Court pursuant to 28 U.S.C. §1408 and §1409.

Pre-Petition Credit Documents

D. Debtor and Agent are parties to that certain Credit Agreement dated as of June 30, 1999 (as amended from time to time), among the Debtor, Samuel R. Blount (the "Guarantor"); the Lenders party thereto from time to time (the "Lenders"), and Agent (the "Credit Agreement").

E. To secure repayment of Debtor's obligations to the Lenders under and in connection with the Credit Agreement, Debtor executed and delivered to Agent that certain Permanent Facilities Security Agreement dated as of June 30, 1999 (the "Security Agreement"). Pursuant to the Security Agreement, Debtor granted to Agent a security interest in, *inter alia*, all of Debtor's accounts (including accounts receivable, receivables, contract rights, book debts, checks, notes drafts, instruments, chattel paper, acceptances and choses in action), inventory, equipment, fixtures and general intangibles, together with proceeds thereof (collectively, the "Pre-Petition Collateral"). The Pre-Petition Collateral includes cash collateral.

F. Pursuant to the Security Agreement, and in order to perfect the security interest granted therein, Debtor executed and delivered to Agent certain financing statements. In order to perfect its security interest in the Pre-Petition Collateral, Agent filed such financing statements with adequate descriptions of the collateral in the appropriate jurisdictions.

G. As additional security of Debtor's obligations to the Lenders under and in connection with the Credit Agreement, Debtor executed and delivered to Agent the following:

1. that certain Amended and Restated Mortgage and Security Agreement, dated April 6, 2001, in favor of Agent recorded in Instrument No. 200105/0130, in the Office of the Judge of Probate of Jefferson County, Alabama;

2. that certain Mortgage and Security Agreement, dated April 6, 2001, in favor of Agent recorded in Book 414, Page 506, in the Office of the Judge of Probate of Randolph County, Alabama;

3. that certain Leasehold Mortgage, Assignment, Security Agreement and Financing Statement, dated January 1, 1996, in favor of Agent recorded in Book 1123, Page 107 in the Office of the Judge of Probate of Dallas County, Alabama, as amended by that certain First Amendment to Leasehold Mortgage, Assignment, Security Agreement and Financing Statement, dated April 9, 2001, in favor of Agent recorded in Book 1213, Page 50 in the Office of the Judge of Probate of Dallas County, Alabama; and

4. that certain Deed of Trust and Security Agreement, dated April 9, 2001, in favor of Agent recorded in Book 2001, Page 09996, in the Yuma County Registry, Arizona.

H. The Credit Agreement, the Security Agreement and all other related agreements and documents issued pursuant thereto or in connection therewith are collectively referred to herein as the "Credit Documents." Copies of the Credit Documents are in possession of the Debtor and are available upon request from the undersigned. Debtor's obligations to Agent as of the Petition Date, as such obligations are more specifically described and defined in the Credit Documents, shall be referred to herein as the "Pre-Petition Debt."

I. The amount of the Pre-Petition Debt due to Lenders under the Credit Documents as of the Petition Date was no less than \$43,885,664.84, that includes the following: \$42,316,643.72 principal; \$1,539,021.12 interest; \$30,000.00 Administrative Agent fee. There is also due and owing the Agent's and Lenders' expenses, including attorneys' fees.

j. On or about January 3, 2002, the Debtor entered into that certain Loan and Security Agreement by and among the Debtor, Standard Federal Bank National Association (successor to Michigan National Bank), acting by and through LaSalle Business Credit, Inc., as its agent ("LaSalle"), as a Lender and as Administrative Agent for all Lenders, LaSalle Business Credit, Inc., as Collateral Agent for all Lenders, and Congress Financial Corporation (Southern) ("Congress"), as a Lender and as Documentation Agent ("LaSalle Working Capital Facility").

K. Pursuant to the refinancing, LaSalle and the Agent entered into that certain Intercreditor Agreement, dated as of January 3, 2002 by and between the Agent, LaSalle and Congress ("Intercreditor Agreement"). In the Intercreditor Agreement, the Agent agreed to subordinate its interests, to the extent of the \$65 million LaSalle Working Capital Facility, in the Debtor's accounts, inventory and general intangibles, but not the equipment, fixtures and real property.

L. Upon information and belief, on or about August 30, 2002, the Debtor withdrew \$3,100,000 from the revolving loan of the LaSalle Working Capital Facility to fund working capital needs during the early weeks of the bankruptcy while it negotiated postpetition financing. Prior to August 30, 2002, the LaSalle revolving loan had been paid in full. As of the petition date, the remaining accounts and inventory exceed the revolving loan balance, and thus a substantial portion of the Debtor's remaining accounts and inventory is Collateral of the Lenders.

As evidence, the Agent submits the August 25, 2002 borrowing base certificate attached hereto as Exhibit A.

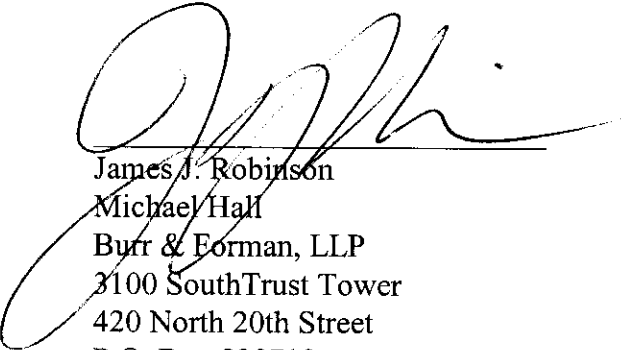
M. Upon information and belief, the proceeds from the sale of prepetition inventory and the collection of prepetition accounts will be collected in the Debtor's deposit account maintained at LaSalle. The Lenders have not consented and do not consent to the Debtor's use of this or any cash collateral.

N. Under the provisions of 11 U.S.C. § 363(c)(2)(B), the Debtor cannot use the cash collateral without providing the Lenders with adequate protection. To date, the Debtor has not done so.

WHEREFORE, the Agent requests that this Court enter an order:

- (A). Barring the Debtor from using the Lenders' cash collateral;
- (B). In the alternative, authorizing the Debtor to use the Lenders' cash collateral, but only after providing the Lenders with adequate protection, in form and amount acceptable to the Lenders, for such use;
- (C). Ensuring that the Lenders have *nunc pro tunc* protection for the Debtor's postpetition use of the Lenders' cash collateral; and
- (D). Granting the Lenders such additional relief as this Court deems reasonable and just.

This the 4th day of September 2002.



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and

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(704) 331-1000

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COUNSEL FOR BANK OF AMERICA, N.A., as AGENT

LaSalle Business Credit, Inc.

BORROWING BASE CERTIFICATE

Exhibit A

Client Name:

Meadowcraft, Inc

		Loan ID.	MEADOWCRAFT	Report No.	08-04	Report Date:	8/25/2002
		Factored	Acct. Rec.				
		A/R01	A/R02				TOTAL
ACCOUNTS RECEIVABLE							
Beginning A/R Balance (From previous Report)		7,675,886.83	5,676,478.17				13,352,365.00
Gross Sales (Invoices)	Collateral Addition	85,515.20	184,912.32				270,427.52
Net Collection (W/ LB, Cash Rec'd. @ LBCI)	Collateral Subtraction	2,125,384.50	1,088,383.24				3,213,767.74
	Collateral Subtraction	223,035.58					223,035.58
	Collateral Subtraction	(223,035.58)					(223,035.58)
Non A/R Collections	Discount (-)						
Discounts/Allowance	Credit Memos (-)	53,309.79	82,928.81				136,238.60
Credit Memos	Adj. Aging (+/-)						
Adjustments Monthly Aging (+/-)	Other Adj. (+/-)	(4,302.43)	(13,031.18)				(17,333.61)
Adjustments (+/-)	Other Adj. (+/-)						
Adjustments (+/-)	Non A/R Cash (+)	223,035.58					223,035.58
Non A/R Cash	Net Collateral Adj.	(57,612.22)	(95,959.99)				(153,572.21)
Ending Collateral Balance		5,578,405.31	4,677,047.26				10,255,452.57
Ineligible	End of Month A/R Ineligible as of: 8/25/2002	1,535,166.97	1,434,369.38				2,969,536.35
	Temporary Ineligible						
	Total Ineligible	1,535,166.97	1,434,369.38				2,969,536.35
Eligible Collateral		4,043,238.34	3,242,677.88				7,285,916.22
Advance Rate - Effective Adv. Rate		90.00%	85.00%				87.77%
Unapplied Cash							
	Balance from previous report						
Check box below to include unapplied cash before Adv. Rate	Addition						
	Subtraction						
	Net Change						
<input checked="" type="checkbox"/> Adv. Rate	Unapplied Cash Adj.						
	Current Unapplied Balance Balance						
Eligible A/R		3,638,914.51	2,756,276.20				6,395,190.70
A/R Available for Advances		3,638,914.51	2,756,276.20				6,395,190.70
A/R Sub-Limit		65,000,000.00	65,000,000.00				65,000,000.00
		Cost Basis	Inv-Res	RM - OLV	FG - OLV	Total - OLV	
INVENTORY:		INV01	INV02				TOTAL
Beginning Inventory as of 8/18/2002		13,829,565.55		6,357,537.06	5,344,690.55	4,610,097.72	13,829,565.55
Purchases	Collateral Addition	81,455.14					81,455.14
Sales	Collateral Subtraction	381,065.08					381,065.08
Ending Inventory as of		13,529,955.61		6,357,537.06	5,344,690.55	4,610,097.72	13,529,955.61
Ineligible Inventory		12,923,710.86					12,923,710.86
Eligible Inventory		606,244.75		6,357,537.06	5,344,690.55	4,610,097.72	606,244.75
Advance Rate		60.00%	60.00%	32.43%	47.68%	100.00%	60.00%
Eligible Inventory		363,746.85		2,061,749.27	2,548,348.45	4,610,097.72	363,746.85
Inventory Availability	Check to Apply Inventory Limit <input checked="" type="checkbox"/>	363,746.85		2,061,749.27	2,548,348.45	4,610,097.72	363,746.85
Inventory Sub-Limit		20,000,000.00					20,000,000.00
GROSS AVAILABILITY (A/R AND INVENTORY)		4,002,661.36	2,756,276.20				6,758,937.55
Other Collateral (EQ) (RE) or (SA) (CapEx)		17,000,000.00					17,000,000.00
AVAILABLE FOR ADVANCES		21,002,661.36	2,756,276.20				23,758,937.55
Revolving Limit		65,000,000.00	65,000,000.00				
GUARANTEES							
Standby Letter of Credit	Advance Rate						
Trade Letter of Credit							
Guarantees Total Reserves							
LOAN ACTIVITY:							
Beginning Revolving Loan Balance (From Previous Report)		4,067,827.36					4,067,827.36
Collections	Net Collection	3,436,803.32					3,436,803.32
Negative Loan Adj.	Other Loan Sub.						
Advances	Loan Adv. Request	499,328.05					499,328.05
Loan Addition (Interest, Fees, and Other Adjustments)	Other Loan Sub.						
Ending Revolving Loan Balance (Revolving Loan)		1,130,352.09					1,130,352.09
Term Loan							
Term Loan							
RESERVES							
Reserves	Check to Apply in Credit Line <input checked="" type="checkbox"/>	4,000,000.00					4,000,000.00
Reserves	Check to Apply in Credit Line <input checked="" type="checkbox"/>	5,650,000.00					5,650,000.00
Availability		10,222,309.27	2,756,276.20				12,978,585.46
Total Lines		65,000,000.00	65,000,000.00				65,000,000.00
BORROWER'S COMMENTS							

The undersigned hereby represents and warrants to Standard Federal Bank, NA that the information set forth herein is true and correct as of the date made, that any Accounts Receivable or Inventory classified as "Eligible Accounts" or "Eligible Inventory" conform in all respects to the respective definitions of "Eligible Account" and "Eligible Inventory" as set forth in the Loan and Security Agreement (or similar agreement) entered into by and between Standard Federal Bank, NA and the undersigned, as amended, modified or supplemented from time to time.

Prepared By:

Authorized Signature

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ALABAMA
SOUTHERN DIVISION**

IN RE:

MEADOWCRAFT, INC.,

Debtor.

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Case No. 02-6910-TOM-11

Chapter 11 Proceeding

CERTIFICATE OF SERVICE

It is hereby certified that the foregoing has been served this day by depositing copies thereof in a depository under the exclusive care and custody of the United States Postal Service in postage prepaid envelopes and properly addressed as follows:

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Mary M. Blount, as Custodian
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c/o Cardinal Management, LLC
Attn: Brian Reynolds
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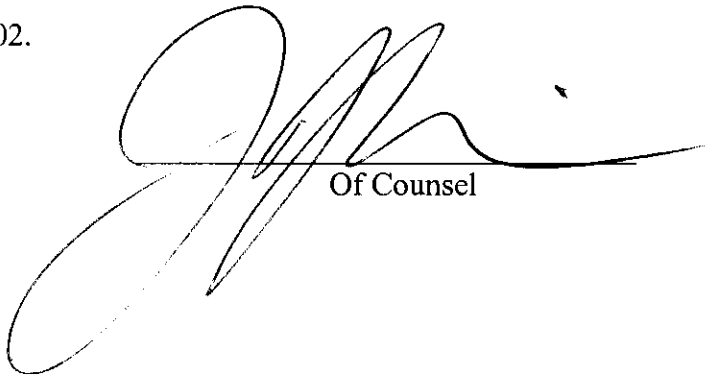
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This the 4th day of September 2002.



Of Counsel